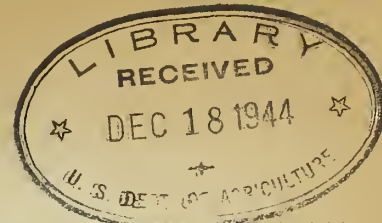


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Administration



No. 47

"AMA WAR BOARD" Letter Wash. D.C.

Dec. 19, 1942

FURTHER REGIONALIZATION OF Food Distribution Administration activities were discussed at conference here this week (December 17-19) of regional Administrators. Definitely decided upon was regionalization of Market News Service. This decidedly important function of keeping both producers and consumers informed of market supplies, prices and trends is expected to become increasingly necessary during coming period of war. Example of job done by service from producers' standpoint is that now underway in moving heaviest hog crop in history to market. Although marketing drive began 6 to 8 weeks later than anticipated, indicating tremendous pressure on markets, it has not been necessary so far to put into effect permit system regulating shipments to market. Consumer market press were taken over by FDA first of this month from OPA and are being handled for most part by Fruit and Vegetable Market News Reporters.

Other possible steps toward further regionalization of activities were discussed at conference, but as yet nothing else has been set for specific action. However, it would be well to look for further decentralization action within near future.

Meanwhile, it was reported that as more of function move to field there will be tendency to follow commodity lines of operation as is done here in Washington.

REORGANIZATION of AMA into FDA to handle new food distribution job is rolling right along. Announcement likely early in week.

1943 PRODUCTION GOALS AND PROBLEMS: Statement from FDA Fruit and Vegetable Branch explaining the 1943 fruit and vegetable production program and problems of meeting it are prepared and soon will be sent to War Boards. Similar statements are in the mill covering dairy products, dry beans and peas, and poultry and eggs. Watch for them.

PERMANENT WHOLESALE POULTRY PRICE CEILINGS were set by OPA on December 17. They are slightly higher than the temporary ceilings previously in effect and are designed to provide producers with a return of 115 to 120 percent of parity. Covered are broilers, fryers, roasters, fowl (hens), stags, old roosters, capons, turkeys, ducks, geese, guineas, pigeons, and squabs in live, dressed, drawn, eviscerated or other forms when sold for human consumption. While ceilings came too late to benefit producers this year (from 75 to 90 percent of 1943 poultry already has been marketed), the 115 to 120 percent of parity probably will help stimulate production of poultry next year.

SOUTHERN EGG MARKETING PROGRAM was officially announced on December 15. Changed somewhat from original program in operation last year, the 1943 scheme will be operated from Dallas Regional office in states of Louisiana and Arkansas; from New York office in West Virginia; and from Atlanta office in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee and Virginia. Believed to be more effective than 1942 program, the new plan will provide price support to encourage adequate egg production; facilitate acquisition of eggs by Government and encourage better marketing methods in states affected.

FDA will purchase eggs at announced prices in 10 case lots from dealers under contract who acquire eggs from producers at designated prices and assemble them. Cooperating dealers also may sell eggs they acquire to army camps, defense plants or any local trade. In any case, FDA will stand ready to buy at the announced price plus 4 cents per dozen to cover cost of grading, inspection, packaging and storing.

Prices to be paid by FDA will be based on US tentative consumer grades. They will be announced at beginning of operations and changed at intervals thereafter if necessary to meet market conditions.

FDA will operate 100 case purchase program on offer and acceptance basis also during marketing season. Will be based on either US tentative consumer retail or US tentative wholesale grades, otherwise it is similar to last year's program.

PROTEIN FOODS: Large scale purchase program for soya products is under discussion. Sharp increase in supplies will be needed to meet L-L demands (including feeding of occupied countries). Conference held with FDA Director Hendrickson today (Dec. 19) on tentative program. Included in program is wider use this protein food for domestic consumption also. Figures on amounts required not available, but, if program goes through it would mean FDA acquisition of virtually all that can be processed for human consumption under present industry capacity and may involve reduction in supplies of soybean meal or cake for livestock feed.

Soybean meal, flour and grits (refined) are foods high in protein content. Already they are being shipped in large supply to our Allies under L-L, either in natural state or as extenders and fortifiers of other foods such as soups, cereals and meats. This week, purchase announcements went out requesting supply of 10,000,000 lbs. of dry soup powder containing soya flour, peas, dry skim milk and dehydrated flavoring ingredients. Would be packed with labels and directions for use in 12 different languages.

Purchase program referred to above is separate from Soya and Peanut Protein program announced in AMA WB Letter No. 33. Under it Bureau of Home Economics, USDA, in cooperation with FDA is developing protein fortified cereal mixtures, meat products bread and soup. After specifications, standards and names for such foods have been worked out efforts will be made through food trades to introduce them in domestic channels. Educational and promotional programs planned to bring this about. Committee handling program reports progress..

FIELD PURCHASE OPERATIONS: Only purchases made during past week were 1596 boxes of apples in Oregon, State Fancy grade at \$1.15 per box and 397 crates of pineapple in Puerto Rico, US No. 2 grade at \$2.75. All purchase programs have now been terminated. Only activity is movement of apples from storage..

STATISTICS: As of December 12, the school milk program was operating in about 14,651 schools in 4,609 areas. More than 2,700,000 children were participating. Expansion is continuing in all regions..

IMPORTANT: Because of various changes in AMA (now FDA) membership on state War Boards there are some cases where the mailing list for this letter and other information has become confused. When Regional Administrators return from their conference here this week they will begin check of War Board memberships to see who is serving. Give them what help you can..